



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

**GREAT REPUBLIC LIFE
INSURANCE COMPANY,**

Respondent.

No. D08-0026

**CONSENT ORDER
IMPOSING A FINE**

COMES NOW the Insurance Commissioner of the State of Washington, pursuant to the authority provided in RCW 48.01.020, RCW 48.02.080, and RCW 48.05.185, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT:

1. Great Republic Life Insurance Company ("Great Republic" or the "Company") is authorized to conduct the business of insurance in the State of Washington and, therefore, is subject to Title 48 RCW and Chapter 284 WAC. Great Republic issues life and disability insurance.
2. WAC 284-07-120 provides that all insurers shall have an annual audit by an independent certified public accountant and shall file an audited financial report with the Commissioner on or before June 1 of the year ended December 31 immediately preceding.
3. Great Republic failed to file its audited financial report for 2006 with the Commissioner on or before June 1, 2007 deadline. More specifically, Great Republic did not file the audited financial report until December 6, 2007. Timely filing of the audited financial report was of particular importance in this case because the Insurance Commissioner had concerns about the financial condition of Great Republic and the untimely filing of the financial report impaired the ability of the Insurance Commissioner to evaluate the financial condition of Great Republic.



CONCLUSIONS OF LAW:

1. Great Republic violated WAC 284-07-120 by failing to file its audited financial statement for 2006 by the June 1, 2007 deadline.
2. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's Certificate of Authority.

CONSENT TO ORDER:

Great Republic, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Company's payment of a fine and upon such terms and conditions as are set forth below.

1. Great Republic consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the Insurance Commissioner's actions related to the subject matter of the Order.
2. By agreement of the parties, the Insurance Commissioner will impose a fine of \$5,000 and suspend \$4,500 of that amount, on the conditions that:
 - a. Within thirty days of the entry of this Order, Great Republic pays \$500 to the Insurance Commissioner.
 - b. Great Republic commits no further violations of the statutes and regulations that are the subject of this Order for a period of two years from the date this Order is entered.
 - c. Great Republic understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violation, in addition to the imposition of the suspended portion of this fine.
 - d. The suspended portion of this fine will be imposed at the sole discretion of the Insurance Commissioner according to the conditions as set forth above, without any right to hearing, appeal, or advance notice.
3. Great Republic's failure to timely pay this fine and to adhere to the conditions shall constitute grounds for revocation of Great Republic's Certificate of Authority, and shall result in the recovery of both the

suspended and unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

Executed this 3rd day of April, 2008.

**GREAT REPUBLIC LIFE
INSURANCE COMPANY**

By: Scott D. Blount

Printed Name: Scott D. Blount

Typed Corporate Title: Treasurer

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

ORDER:

1. Great Republic shall pay a fine in the amount of \$5,000, of which amount the sum of \$4,500 is suspended on the condition that the Company fully comply with the laws and regulations of the State of Washington which are the subject of this Order for the next two years.
2. Great Republic's failure to pay the fine within the time limit set forth above shall result in the revocation of the Company's Certificate of Authority and in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

Executed this 4th day of April, 2008.

MIKE KREIDLER
Insurance Commissioner

By: Thomas P. Rowland

Thomas P. Rowland
Staff Attorney
Legal Affairs Division